(b) the aggregate cest of Listed Equity Shares of private companies purchased through private placement of Bought-out deals by IFCI during April 1, 1992 to March 31, 1996;

(c) the aggregate cost of Unlisted convertible debentures of private companies purchased by IFCI during April 1, 1992 to March 31, 1996;

(d) the aggregate cost of Listed Convertible debentures of private companies purchased through private placement of Bought-out deals by IFCI during April, 1992 to March 31, 1996; and

(e) the aggregate Dividend received from the companies given at (a) and (b), separately, during April 1, 1992 to June 31, 1996?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) The Industrial Finance Corporation of India Ltd., (IFCI) has reported that it does not purchase shares from the open market. However, IFCI acquires shares through underwriting/direct subscription assistance under project finance operations and by way of exercise of conversion option wherever stipulated. The aggregate cost of equity share of unlisted private sector companies subscribed by IFCI during April 1, 1992 to March 31, 1996 was Rs. 1887.77 lakhs.

(b) and (d) IFCI has reported that no such transactions had taken place during the period.

(c) The aggregated cost of convertible debentures of unlisted private sector companies subscribed by IFCI during April, 1992 to March , 1996 was Rs. 1807.15 lakhs.

(e) IFCI has reported that the amount of dividend received by it during the period April 1992 to June, 1996 was Rs. 20.30 lakhs in respect of companies referred to in part (a) of the Question.

Bank Branch at Morch, Manipur

651. SHRI GEORGE FERNANDES : Will the Minister of FINANCE be pleased to state:

(a) whether there is only one public sector bank functioning at Morch in Manipur;

(b) whether the traders and others at Morch have been demanding for opening of one more State Bank of India branch in the town;

(c) if so, whether Government propose to concede to their demand; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Reserve Bank of India (RBI) have reported that there is one branch of United Bank of India functioning at Morch in Manipur.

(b) to (d) Reserve Bank of India has not received any representation/proposal from the traders and others for opening a branch of State Bank of India at Morch. As per the extant branch licensing policy of RBI, the choice of the centres is left to the judgement of the banks themselves, who take into account inter-alia viability aspect and availability of inftrastructural facilities while taking decisions for opening of new branches.

[Translation]

Different Interest Rates

652. SHRI RAJENDRA AGNIHOTRI : Will the Minister of FINANCE be pleased to state:

(a) whether there are different interest rates of fixed deposits in post offices and nationalised commercial banks;

(b) if so, the reasons therefor; and

(c) the impact of this differences on banks and customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (c) Reserve Bank of India (RBI) has reported that the interest rate on deposits in nationalised banks are different from those in post offices, as the operations of post Offices are not comparable with those of commercial banks. Banks are commercial organisations and deploy their deposit funds in investments, loans and advances. Banks determine the interest rates on deposits based on several factors such as overall cost of funds, yield on funds, cost of servicing deposits, maturity pattern and so on.

Unlike Post Offices, fixed deposits of banks are more liquid as depositors can prematurely withdraw deposits or take loan against deposits with penalty. Further, banks offer various services and products to depositors like Cheque Book facility, remittance facility, demand drafts, clearing facility and so on. In view of a variety of products and services offered by commercial banks there is unlikely to be large scale shift of deposits from commercial banks to Post Offices.

[English]

Pension to Retired LIC Employees Prior to January 1, 1986

653. SHRI SATYA PAL JAIN : Will the Minister of FINANCE be pleased to state: